APPLICATION FOR PERMIT TO DRILL OR RE-ENTER

APPLICATION TO DRILL		RE-ENTER OLD WELL			
NAME OF COMPANY OR OPERATOR					
Southwest Exploration, Inc. / Passport Pot	tash, Inc.				
Address	City	/	State	Phone Number	
3266 W. Galveston #101	Apache Jur	nction	Arizona	480-288-6530	
Drilling Contractor K & M Drilling			-		
Address 2432 Private Drive, Can	np Verde, Arizona 883	322			
	DESCRIPTION O	F WELL AND LEASE			
Federal, State or Indian Lease Number, or if fee lease, n State Lease 08-113917	name of lessor	Well number PP-2011-40		Elevation (ground) 5777'	
Nearest distance from proposed location to property or le	ease line:	Distance from proposed location to nearset drilling, completed or applied-for well on the same lease:			
	480 feet			feet	
Number of acres in lease		Number of wells on leas	e, including this v	vell, completed in or drilling to this reservoir.	
640		0			
If lease purchased with one or more wells Nan drilled, from whom purchased.	ne	,	Address		
Well location (give footage from section lines) 480' FNL; 1872' FWL	Section - Town S2 - T17N	ship - Range or Block and Survey - R25E		Dedication per A.A.C. R12-7-104(A)(3) N/A	
Field and reservoir (if wildcat, so state) Wildcat - Stratigraphic - Potash	•	County Apache			
Distance in miles and direction from nearest town or pos Approx. 30 miles SE of Holbrook, AZ	t office				
Proposed depth: 1450	Approximate date work will start June, 2011				
Bond status On File	Organization Report	Filing Fee o		f \$25.00	
Amount \$50,000	On file X Or	rattached			
Remarks API # 02-001-20 CERTIFICATE: I, the undersigned, under the p Southwest / Passport report was prepared under my supervision and c	enalty of perjury, state the	nd that I am authorized	• '	of the ny to make this report; and that this implete to the best of my knowledge.	
		Signature][lee)	Del .	
Mail completed form to: Oil and Gas Program Administrator Arizona Geological Survey 416 W. Congress, #100 Tucson, AZ 85701-1315		Date 06/10/11			
Permit Number: 1054			STATE OF	ARIZONA	
Approval Date: 6-15-20	(1	OIL & GAS CONSERVATION COMMISSION			

OIL & GAS CONSERVATION COMMISSION

Application to Drill or Re-enter File Two Copies

Form No. 3

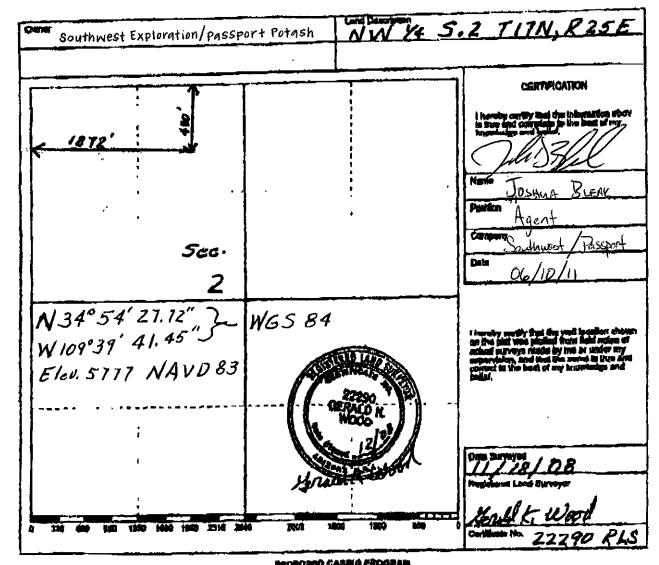
Approved By:

NOTICE: Before sending in this form be sure that you have given all information requested. Much unnecessary correspondence will thus be avoided.

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- 1. Openstry shall cuttine on the plot the acreeins declinated to the well in compliance with A.A.C. R15-7-107.
- 2. A registered perveyor shall alread on the plat the location of the well and certify this information in the apace provided.
- J. ALL DISTANCES SHOWN ON THE PLAY MUST BE FROM THE OUTER BOUNDARIES OF THE SECTION.
- 4. In the opporator the only owner in the declarated acrosses cultimed on the plot below? YES X. NO......
- S. If the mouver to quantitis four in No. Hit will the connect and their respective interests below:



	Mile colls herbild Lucescen													
1	Mice of Cosing	YHAYM	Grade & Type	Top	Ballon	Committing Deptilis	Backs Cernent	Type						
	'6 <i>-62</i> 5" 4-5"	20-1 11-8 lbs/ft	PWT HWT		1350'TD	50' Plug at Fresh/Sait Interval	6-9 Bags for Surface casing	Dritter Supplied						